COLORADO STATE UNIVERSITY-PUEBLO
Financial Procedure Instructions
FPI 6-1

1. **Procedure Title:** Receipt and Deposit of Cash and Checks

2. **Procedure Purpose and Effect:** To outline procedures for proper safeguarding and depositing of cash and checks received by University departments for the sale of goods and/or services.

3. **Application of Procedure:** University employees involved in any step of the process to receive, record, safeguard, or deposit incoming cash or checks intended for the University must follow these procedures.

4. **Definitions:**

   A. **AIS:** The University's Accounts Receivable sub-ledger system, also known as Administrative Information System.

   B. **Cash Sales:** Sales of goods or services provided by the University and paid for by the customer at the time of sale. Cash sales include cash, checks, debit cards, and credit cards.

   C. **Credit Sales:** Sales of goods or services provided by the University that are not paid for by the customer at the time of sale. Please refer to FPI 2-17 Accounts Receivable for more information about credit sales.

   D. **Brinks:** The CSU-Pueblo contracted armored carrier service provider. Brinks provides the armored transport between established CSU-Pueblo departments and the bank or other specified locations.

   E. **Receipts:** Cash, checks, debit card, or credit card transactions received in payment for sales.

5. **Procedure Statement:**

   A. **GENERAL**

      1. All receipts intended for the University must be properly accounted for, carefully safeguarded, and promptly delivered to the University Cashier's Office. Business Financial Services (BFS) is responsible for depositing University money into approved University bank accounts. A State employee can be accused of embezzlement of public property if he or she retains money intended for the University or deposits University money in a bank account that is not approved by the Board of Governors of the Colorado State University System.

      2. Departments have the following options for having their deposits processed:
         - The deposit(s) may be dropped off at the Cashier's Office and a Cashier will process the deposit as time permits. The department will know their deposit has been processed because the Kuali Financial System (KFS) Cash Receipt (CR) document will be approved by a Cashier.

- Deposit(s) can be brought into the Cashier's Office and a Cashier will process the payment and produce a receipt from the cashiering system for the staff member to take with them. The Cashier can also date stamp the KFS cover sheet.

3. Faculty and staff members are not authorized to collect payments from students in connection with their enrollment in classes. Customers making payments on student or commercial accounts need to be directed to the Cashier's Office. If a department inadvertently receives a payment for a student or commercial account, promptly deliver the payment to the Cashier's Office, separate from any departmental deposit.

4. Cash receipts are not to be used to cash personal checks, to cover shortages, as petty cash/change funds, or to purchase materials and services.

5. Departments wanting to accept credit card payments at point-of-sale, by phone, or by e-commerce and/or wanting to accept PayPal payments by e-commerce must first contact Business Financial Services.

6. The University also accepts payment in the form of wire, ACH, and electronic funds transfer. If your department is expecting an incoming payment in any of these forms, please refer to FPI 6-4 Incoming Electronic Payments Including ACH Enrollment for information on how to ensure these deposits are properly identified and accounted for.

7. If currency or checks are found on campus they are to be brought to the Cashier's Office for research and safeguarding until the owner can be located.

B. PROCEDURES FOR ACCEPTING PAYMENT FOR CASH SALES

1. Record cash sales with a cash register or alternative procedure approved by CSU-Pueblo BFS.

2. The following steps minimize the risk of a check being returned by the bank:
   a) Ensure checks are properly completed. Review checks for the following: payee is Colorado State University-Pueblo or CSU-Pueblo, date is current (not in the future or more than six months in the past), numeric amount and the written amount are the same (if different, words prevail over numbers), amount of check does not exceed the amount of the payment (no cash-back transactions), check is drawn on a U.S. financial institution, and the check is signed.
   b) Request identification of the person signing the check. Ask individuals presenting personal checks in payment of merchandise or services to provide proof of identification. A student I.D. card together with a driver's license or other identification with a picture is generally acceptable.
   c) Endorse all checks immediately as follows:

   For Deposit Only at
   CSU-Pueblo

3. The department is responsible for safeguarding their cash and checks until they are deposited at the Cashier's Office. Place all cash and checks in a locked box and further

locked in a secure desk, file cabinet, or safe. For information on storage of credit card information, please refer to FPI 6-6 PCI Compliance Program and FPI 1-15 Record Retention.

4. Departments are responsible for ensuring proper segregation of duties for cash receipts. Two different employees handling money does not necessarily create a segregation of duties. The segregation occurs when one person handles the money and a second person records the transaction. In smaller offices when one employee is responsible for numerous tasks, duties are often combined. The person receiving the cash or check may also be the person recording the transaction in KFS, as well as reconciling the monthly receipts to KFS. When one individual is responsible for the entire cash receipt process, verification and review by a supervisor, manager, separate accounting person, or department head reduces the risk of theft or misappropriation. Ensure that the individual doing the reconciliation verifies that all the pre-numbered receipts are accounted for.

5. Record the reason for any adjustment or void on the departmental copy of the receipt document generated by the original transaction. Submit adjustments and voids to the departmental person who reconciles KFS. If the same person is doing the deposits and reconciling, obtain the approval of a supervisor for adjustments or voids. When a person has responsibility for depositing cash and for adjusting, voiding, or refunding a transaction, an added risk exists. Verification and review by a supervisor, manager, separate accounting person, or department head reduces the risk of theft or misappropriation.

6. Report any suspected theft or counterfeit bills to the Pueblo County Sherriff's Office and to CSU-Pueblo's BFS. The Kuali Shop Catalogs (Office Max) offer counterfeit detector pens for testing currency for the correct chemical makeup.

7. For cash payments in the amount of $10,000 or more, IRS Form 8300 will need to be completed at the time the cash is given to the department. Parts I, II and III are to be completed by the customer/department. If there are any questions filling out the form please contact the Cashier's Office. The form is to be submitted to the Cashier's Office within 5 business days of receipt of cash. This form needs to also be used for any suspicious cash transaction, regardless of the amount of funds. https://www.irs.gov/pub/irs-pdf/f8300.pdf

8. The Cashier's Office is available to provide change to departments transacting with cash tender. Bring the larger bill(s) along with a breakdown of the requested denominations to the Cashier's Office. Advanced notice is always preferable and may be required if large amounts of bills are requested.

C. PROCEDURES FOR DEPOSIT OF CASH SALES

1. Once a department has received receipts totaling $500, a deposit must be made to the Cashier's Office by the next business day. Deposit receipts totaling less than $500 need to be made at least once a month. The sooner checks are deposited, the better chance funds will be available in the customer's account for clearing the checks. Also, the quicker deposits are made, the less time the departments will have to safeguard these funds. Interest revenue is lost in delaying deposits.

2. KFS records all cash receipts and income of the University. In KFS, a CR document serves as a record of the money delivered to the Cashier's Office and provides the information necessary to record receipts in the University's accounting system. Please submit the CR document close to the same timing that the money will be delivered to the Cashier's Office. See Attachment #1 for a sample of a CR document. Additional information and training on creating KFS documents may be acquired by contacting the Business Financial Services.

3. If the proper account is not immediately known, contact BFS for a temporary account number or use a departmental clearing account. Do not delay depositing receipts while researching account numbers.

4. Acceptance of the deposit occurs when the deposit and the CR cover sheet or CR document number are brought to the Cashier's Office. See Attachment #2 for a sample of a CR cover sheet. If the deposit includes multiple checks, also prepare two adding machine tapes listing each check amount along with a total. One is calculated from the numeric amounts and the other from the written amounts. The cashiering staff will validate the deposit amount and approve the CR document. It is possible that one deposit will need to be split between the departmental deposit recorded on the CR document and a commercial account recorded in Aries. If this occurs, list the commercial account number and amount to be applied to Aries on a separate document and submit the CR together with the document. The Cashier will then be able to apply the accurate amount to the commercial account.

5. Safeguarding customer banking information is crucial, therefore no full image of checks, whether scanned, copied, or photographed should be stored. Images of checks that are emailed, attached to Kuali for support, or stored in a department computer or file cabinet must have the bank account number redacted, covered, or folded so the numbers are not viewable. Checks should never be photographed with personal equipment such as a smart phone.

6. Foreign checks are checks in a foreign currency or drawn on an international bank. If the check is in US Dollars but drawn on an international bank, prepare a separate CR document and note on the cover sheet that the check is foreign. If the check is in foreign funds, bring the check to the Cashier's Office prior to recording the deposit in KFS. The check will be sent to the bank to confirm the US Dollar conversion and the Cashier's Office will report the US Dollar amount back to the department. At that time, the department will create the CR document to be approved by the Cashier's Office.

7. Be cognizant of the amount of cash transported to the Cashier's Office for the security of both University employees and deposits. Banking Services recommends scheduling a one-time armored carrier pickup for cash deposits of $5,000 or greater.

8. You will be notified by BFS if a check included in your departmental deposit was returned due to insufficient funds or stale date reason codes. Generally, a check is considered stale-dated six months after the date on the front of the check. A service charge may be assessed for return of these checks.

9. The bank will inform BFS if a correction was made to a deposit. Business Financial Services will contact the initiator of the CR document to request the correction to the departmental

account in KFS. Corrections are posted on CR or AD documents depending on the specific adjustment.

D. OPERATING A CASH REGISTER

1. At the beginning of a shift, a cashier checks out a controlled amount of cash or retrieves his/her own previously assigned locked change bag or drawer containing the controlled cash amount that is stored in the safe during nonbusiness hours.

2. The cashier begins the shift by verifying the control cash amount, placing the cash in an empty cash register drawer, and recording the beginning cash amount on the shift's reconciliation sheet. This control amount will be the reconciled cash at the end of the shift.

3. Only one cashier at a time shall be assigned to and have access to a specific cash register. During a shift, one cashier is responsible for all transactions completed on the assigned register. These transactions are recorded electronically for an audit tape to be printed out at the end of the shift by the cashier's supervisor or designee.

4. When a cashier completes a shift, all cash, checks, and debit/credit card receipts shall be removed from the drawer, along with approved and documented voided and return receipts, and placed in a locked change bag or drawer. The cashier shall take the bag or drawer, along with a cash register printout of transaction and tender type totals to a secure area for reconciling. Per register printout, total checks need to equal checks tendered, credit card receipts need to equal credit card payments tendered, and cash needs to equal cash tendered plus beginning cash.

5. Below is a sample of a reconciliation sheet that would be filled out by a cashier:

Beginning Cash (control amount)	$ 200
Total Sales	1,050
Less voids	(25)
Less cash returns	(25)
Net total sales	1,000
Less total cash tendered	(400)
Less total checks tendered	(500)
Less credit cards tendered	(100)
Ending cash	$ 200

6. After balancing to the shift's receipts, the reconciliation sheet, with approved and documented void and return receipts and register totals attached, shall be turned over to the cashier supervisor or designee along with control cash for verification. If a cashier has difficulty balancing, the cashier supervisor or designee will print the audit tape and assist the cashier with the reconciliation.

7. Once reconciled, register totals along with cash, checks, and debit/credit card receipts equaling total net sales for the shift shall be given to and logged in by the accounting area for recount, safekeeping, and deposit preparation.

8. The accounting area creates a deposit in KFS. The department is responsible for safeguarding the funds until they are delivered to the Cashier's Office. The staff in the Cashier's Office validate the deposit when received or when notification it is received from the bank for departments who do direct deposits.

9. Deposit activity and balancing need to be reviewed on a regular basis by the department manager or department head to insure accuracy and compliance with University procedures.

10. The mail handler will collect all the mail from the BFS department mailbox daily. The incoming mail will be sorted by the mail handler.

11. The mail handler will date stamp the envelope of all the checks immediately upon receipt and place them in a secure cabinet.

12. The secure file cabinet will be marked with a "green tag" to show that it contains checks received in the mail.

13. The Check logger will collect the checks daily from the secured file cabinet and remove the "green tag."

14. The Check logger will endorse the check immediately upon receipt in the following manner:

<center>For Deposit Only
CSU-Pueblo</center>

15. The check logger will log the details of the check in the BFS Check Log, (a protected excel worksheet in I:\Administration\Financial Services\Accounting Services\Cashier Documents\Check Log) and give them to the Cashiers office for further processing.

16. *The Cashier will determine which one of the 4 categories the check belongs to and follow the respective depositing procedure below.*
    Student payments
    Departmental
    Non-student, commercial checks
    Unknown
    I. Student Payments will be processed immediately in AIS (*refer to Cashier Procedure)*.
        i.   The check deposit will be included with the daily close-out procedure when the Cashier prepares their deposit slips.
        ii. The Cash Manager will verify and count CR. They also verify that CR's are logged in the Brinks log book and ready for pick-up.
    II. Checks belonging to the department.
        i.   For checks belonging to the department, an email notification will be sent to notify them of the check that was received.
        ii. The email notification will be sent out by 3:00 p.m. the day the check was received. The standard email would mention check details such as:
            a. Payer Name.
            b. Check Number.
            c. Amount.
            d. Date the check was written.
            e. Date the check was received in mail.
            f. Date the check was logged in the BFS Check log.
        iii. Upon receiving this email the departments will deposit the check into KFS no later than 3:00 p.m. the next business day, (*Refer to Cash Receipt Procedure).*

The original check will be kept in a secure cabinet in the cashier's office. No copy of the check will be sent out to the departments.

    iv. Once the department performs the deposit, they will take the KFS Cash Receipt Document print out and deposit bag to the Cashier and notify them that the check being deposited is stored in the cashier's office. The Cashier will give them the check, verify the deposit and have the department seal the bag.

    v. If the department does not deposit/record the check by 3 p.m. the next business day, the Cashier will record the checks to a clearing account in AIS/KFS and send the check to the bank to be deposited.

    vi. The departments will have to enter a Distribution of Income and Expense (DI) document in KFS that will clear the clearing account and record the revenue in their account.

  III. Checks that are non-student or commercial. The cashier would already know where to post these to.

    i. They will immediately be recorded in KFS and deposited with their daily deposit.

    ii. The Cash Manager would verify the deposit in KFS (refer to CMD procedure).

  IV. Unidentified Checks.

    i. If the cashier cannot determine who the check is for by the next business day, the cashier's Office will:

      a. Record the check in KFS into a clearing account.

      b. Check will be sent to the bank for deposit.

      c. Record the check information on the Unidentified Check Log.

      d. Continue to research in an attempt to locate where the check should be deposited.

      e. Send out weekly notices to departments of all unidentified checks.

      f. Once the check has been identified, the deposit can be made.

17. The Cash Manager will then verify the deposit, (*Refer CMD procedure*), and will verify that the deposit is logged in the Brinks log book. The deposits are secured until picked up by Brinks.

18. The Brinks guard signs the Brinks log book and collects the deposit bag from the Cashier. The guard then takes deposits to US Bank for further processing. This step is carried out daily.

7. **Reference and Cross-References**:

- United States Secret Service – Know your money website: https://uscurrency.gov/sites/default/files/download-materials/en/KnowYourMoney_062014.pdf

- FPI 2-8 Contract and Grant Revenues, FPI 2-17 Accounts Receivable, 6-3 Credit Card Merchant Accounts, 6-4 Incoming Electronic Payments Including ACH Enrollment, FPI 6-6 PCI Compliance Program, and FPI 1-15 Record Retention:

- IRS Form 8300: https://www.irs.gov/pub/irs-pdf/f8300.pdf

8. **Forms and Tools**: See attachments.

Attachment #1: BFS Check Log

		BFS CHECK LOG						
Colorado State University PUEBLO		Fiscal Year _____						
Payer Name	**Check #**	**Amount**	**Check Date**	**Date Received By Mail**	**Log in Date**	**Student Pymt/Dept Check**	**CR #**	**CR Date**

Attachment #2: Brinks Log Book

Received by ▌▌▌BRINKS a private contract carrier,

FORM H REV. 3/91

from _____ consignor, the following shipment(s) to be delivered to the respective consignees hereinbelow stated. It is agreed that all items and packages of each shipment are to be distinctively and securely sealed by the consignor and that BRINK'S in no event shall be liable for any shortage claimed in any item or package delivered to BRINK'S not so distinctively and securely sealed. ALL SHIPMENTS INCLUDING, BUT NOT LIMITED TO, THE DECLARED VALUE HEREINBELOW STATED ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE APPLICABLE CONTRACT BETWEEN BRINK'S AND THE PARTY FOR WHOM SERVICE IS BEING PERFORMED BY BRINK'S.

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